

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 936 - HB 1559**

March 28, 2021

**SUMMARY OF BILL:** Repeals the Tennessee Education Savings Account (ESA) Pilot Program signed into law on under Public Chapter 506 of 2019. Deletes Tennessee Code Annotated 49-6-2601 through 49-6-2612.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures – \$29,022,000/FY21-22 and Subsequent Years**

**Decrease Local Expenditures – \$192,500/FY21-22 and Subsequent Years**

**Passage of this legislation will prevent a shift in BEP funding amongst local education agencies estimated as follows: \$36,881,150 in FY21-22; \$55,321,725 in FY22-23; \$73,762,300 in FY23-24; \$92,202,875 in FY24-25; and \$110,643,450 in FY25-26 and subsequent years.**

**Assumptions:**

- The proposed legislation removes the ESA program entirely.
- There is currently \$29,022,000 budgeted for the ESA program in FY21-22 and subsequent years. If the ESA program is repealed, then these expenditures will not occur.
- If ESAs are repealed, local education agencies (LEAs) will continue to receive the funds that they had previously been receiving, resulting in a possible increase in local funding over what would happen in an ESA; however, LEAs will also have the additional students to educate compared to the number they would have otherwise had.
- It is estimated that the expenses to educate the students will be offset by the revenue, resulting in a net effect of zero.
- Based on the analysis for HB 939, which was signed into law under Public Chapter 506 in 2019, it was estimated that a shift in BEP funding amongst LEAs (assumes \$7,376.23 per pupil) would result as follows:
  - FY21-22: \$36,881,150
  - FY22-23: \$55,321,725
  - FY23-24: \$73,762,300
  - FY24-25: \$92,202,875
  - FY25-26: \$110,643,450

If the proposed legislation goes into effect, then the estimated shifts in BEP funding will not occur.

- The proposed legislation will decrease local expenditures for administering state assessments to students by \$192,475 in FY21-22 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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